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1. Simultaneously with a Soviet internal revolution, the failure of the Soviet plans for breaking up the Western Bloc was brought about by the signing of the Paris Agreements on 20 October 1954 and was sealed by the subsequent constitution of the Western European Union, including German rearmament. This failure has caused the Kremlin to undertake, since the end of 1954, a new direction in its foreign policy. The most evident symptoms of the "new look" are the following:
 - a. The apparent relinquishing by the Soviets of Far Eastern problems, giving China a free hand to conduct the policy of Communist expansion in Asia and in keeping the United States occupied in that area;
 - b. The strengthening of Soviet heavy industry and the announced increase in military expenditures for the Soviet Union and the Soviet bloc as well;
 - c. The Treaty of Warsaw, which has now justified the continuance of Soviet troops in Czechoslovakia, Bulgaria and Albania and has enabled the Soviets to obtain, in case of need, Chinese military support in Europe. At the same time, the signing of the Warsaw Treaty did not preclude the eventual solution of the German problem, since the official rearmament of Eastern Germany was postponed;
 - d. The all but total Soviet agreement to the Western proposal for disarmament and, at the same time, the proposal by the Soviets for the removal of all occupation troops from Germany;
 - e. The signing of the Austrian State Treaty, with which the Soviets obtained the neutralization of Austria and the consequent splitting

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of the Western front into two segments;

- f. The visit of top Soviet leaders to Belgrade, a visit which openly aimed at obtaining, through a complete understanding with Tito, the friendly "active neutrality" of Yugoslavia and the removal of any significance from the Balkan Pact; and
 - g. A series of political speeches by top Communist leaders in which the theories of Lenin were exalted, with particular emphasis on the concept of peaceful coexistence of different countries and social regimes and on the inevitable disintegration of the capitalist world.
2. An analysis of these steps, together with an examination of the internal political situation of the Soviets, indicates the following aims of Soviet foreign policy:
- a. To give proof of an effective desire to achieve a relaxation of tensions; and
 - b. To seek a strategic realignment which would be more advantageous to the USSR from a security viewpoint.
3. The following acts have been propagandized for international public opinion, either directly or through interested or complacent supporters, with the purpose of establishing irrefutable proof of the Soviet bonafides in searching for means to obtain a long period of peace:
- a. The action ostensibly undertaken to appease China on the Formosan question;
 - b. The recent proposals for disarmament;
 - c. The position on the Austrian problem;
 - d. The postponement of East German rearmament;
 - e. The "magnanimous" act of seeking a betterment of relations with Yugoslavia even at the cost of paying a visit to the greatest deviationist; and
 - f. A succession of acts geared to increase the exchange of consumer commodities under more advantageous conditions.

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4. The endeavor to achieve a more favorable strategic realignment appears manifest in:
- a. The persistent efforts to create a neutral belt, which obliges the West to withdraw more than it does the Soviets and creates between the two blocs a no-man's land which could easily be occupied by an aggressor;
 - b. The efforts to deal with individual members of the Western community, tempting them with concessions which are not prejudicial to Soviet security in order to make them tractable; and
 - c. The counterbalancing of the inevitable concessions and the withdrawal of Soviet troops from Austria and East Germany by strengthening the Communist bloc with the anticipated support of the Chinese and through achieving a definitive removal of American and British forces from Europe.
5. The aim of this new Soviet foreign policy does not appear to be essentially different from the Soviet objective tenaciously pursued through recent years:

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the weakening of the free world in order that an offensive need no longer be feared from it, and awaiting, in a secure position, the Soviet's own economic strengthening. The Soviet foreign policy is predicated on the conviction that "the contradictions of the capitalistic system" under the pressure of Communist propaganda and of a Soviet military force, should an opportune occasion arise, will ultimately bring about the ruin of Western democracy and thus give a free hand to the new order.

6. Only the easiest part of the new Soviet program in foreign policy has thus far been implemented, i.e., the separation of Austria and Yugoslavia from the West but not their inclusion in the East. The Soviets are still faced with the problem of German neutralization, which has become more difficult and complicated because of West German participation in NATO.
7. Although realistic Soviet diplomacy knows that the Western powers would never accept conditions for Germany similar to those adopted for Austria, it is still possible that the Soviet Union might go so far as to neutralize the Soviet Bloc in exchange for a neutral Germany. Such an act would serve a two-fold purpose for the Soviets: it would put them in a strategic position and at the same time would provide a proof of genuine Soviet desires for peace. The Soviets nurture the hope that a period of peace might encourage a neutralist spirit and even induce European countries to leave NATO.
8. Whatever systems of guarantees could be worked up, such as disarmament agreements and treaties of mutual assistance between East and West, the European countries would derive no benefit from such barter, because it is evident that the Soviet Union concentrates on the internal situations of those countries, [redacted] where it believes there still exist favorable conditions for Communist penetration. The disintegration of NATO, therefore, would signify the disintegration and the subsequent subservience to Moscow of the free European countries.
9. Nevertheless, and aside from any evaluation of future Soviet plans, it must be observed that current political developments constitute on the whole such a concrete improvement in the Soviet strategic situation as distinctly to better the Soviet position in case of a breakdown of the present equilibrium.

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